

Introduced: 1/30/76
Referred: Commerce

1 IN THE SENATE

BY CROFT, KERTTULA, RODEY
AND POLAND

2 SENATE BILL NO. 594 am H re-engrossed

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for insurance which is unavailable on
7 the voluntary market; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 21 is amended by adding a new chapter to read:

11 CHAPTER 67. MANDATORY INSURANCE PLAN.

12 Sec. 21.67.010. ESTABLISHMENT OF PLAN. If the director of insur-
13 ance finds after a hearing that any form of insurance coverage or rein-
14 surance is not available on the voluntary market in the state and that
15 availability of this insurance or reinsurance is in the public interest,
16 he may by regulation promulgate a plan to provide the insurance or rein-
17 surance coverage for any risks in the state which are equitably entitled
18 to but otherwise unable to obtain the coverage. The director may also
19 require the insurance industry in the state to establish a plan, subject
20 to the director's approval, providing for the otherwise unavailable
21 insurance or reinsurance.

22 Sec. 21.67.020. PLAN PROVISIONS. (a) Each plan established under
23 sec. 10 of this chapter shall

24 (1) require participation by all insurers doing business in
25 the state who write insurance similar to the kind of insurance provided
26 for in the plan and by all agents licensed to represent these insurers;
27 however, the director may exclude insurers and agents otherwise required
28 to participate for administrative convenience or because it is not equit-
29 able or practicable to require them to participate;

1 (2) spread the burden imposed by the plan equitably among the
2 insurers participating;

3 (3) give consideration to the need for adequate and readily
4 accessible insurance coverage, methods of improving the voluntary market
5 in the area affected, to the preferences of insurers and agents, to the
6 need for reasonable underwriting standards, and to the requirement of
7 loss-prevention measures;

8 (4) establish procedures which will create minimum interfer-
9 ence with the voluntary market;

10 (5) provide for underwriting and classifying risks, making
11 rates, adjusting and processing claims, and any other insurance or
12 investment function necessary for providing insurance coverage;

13 (6) specify the basis of participation and assessment of
14 insurers and agents and the conditions under which risks must be accepted;

15 (7) establish procedures for participating insurers and agents
16 and applicants for the insurance under the plan to have grievances re-
17 viewed by an impartial body;

18 (8) specify the commission rates to be paid for insurance
19 placed in the plan; and

20 (9) specify a termination date of the plan which shall be
21 not more than two years from the effective date of the plan.

22 (b) The plan may provide for optional participation by insurers not
23 required to participate under (a) of this section.

24 Sec. 21.67.030. COVERAGE UNDER PLANS. Each participating insurer
25 and agent shall provide to each person seeking insurance provided by a
26 plan under secs. 10 and 20 of this chapter the coverage and services
27 provided for in that plan, including full information on the requirements
28 and procedures for obtaining coverage.

29 * Sec. 2. Provisions of this Act do not apply to health care providers

1 liability insurance.

2 * Sec. 3. This Act takes effect July 1, 1976.

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